

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

**INDIANA STATEWIDE ASSOCIATION OF RURAL ELECTRIC COOPERATIVES,
INC.'S COMMENTS IN RESPONSE TO THE COMMISSION'S JUNE 13, 2003, DRAFT
PROPOSED INDIANA NET METERING RULE**

The Indiana Statewide Association of Rural Electric Cooperatives, Inc. ("Indiana Statewide") appreciates this opportunity to comment on the Commission's June 13, 2003, "Indiana Net Metering Proposed Rule Draft 1." These comments are presented on behalf of Indiana Statewide's distribution cooperative members. Our comments are as follows:

Sec. 1(c). A provision in Sec. 2 (Applicability) appears to be intended to exempt electric utilities not subject to the Commission's jurisdiction over their rates from the application of the rules. However, this exemption would be better placed in the definition of "electric utility" in Sec. 1(c), and should more specifically exempt electric utilities whose rates are not subject to the Commission's jurisdiction. For example, electric cooperatives that have withdrawn from the Commission's jurisdiction over their rates are still "subject to the jurisdiction of the Commission" with respect to certain matters, e.g., assigned service areas. Therefore, we recommend that Sec. 1(c) be modified to read:

(c) As used in this rule, "electric utility" means a public utility, a cooperatively-owned utility, or a municipally-owned utility that owns, operates, or manages ~~an~~ electric distribution plant and whose retail rates are subject to the jurisdiction of the Commission.

Sec. 2 should then be modified to either delete " , subject to the jurisdiction of the Commission," or to replace that clause with " , whose retail rates are subject to the jurisdiction of the Commission,".

Sec. 1(d)(1). Depending on the size of the electric utility involved or the location of the eligible net metering customer, it may not be feasible for the proposed rule to be applied to all generating facilities that have up to 10 kilowatts of nameplate capacity. To accommodate these possible circumstances, and other circumstances that could perhaps arise under the proposed new rule, Indiana Statewide recommends addition of a section providing for waiver of the rule in those circumstances in which strict application of the rule is not in the public interest, as follows:

170 IAC X-11

Sec. 11 Waiver. Upon petition by an electric utility, or on its own initiative, the Commission may grant, in whole or in part, permanent or temporary waivers from the application of this rule upon being presented with facts demonstrating that strict application of the rule may impair the adequacy and reliability of an electric utility's retail service or would otherwise be contrary to the public convenience and necessity.

This waiver provision would be consistent with the Commission's inclusion of similar provisions in its recently adopted rules relating to telecommunications service quality standards and customer service rights and responsibilities. (*See* 170 IAC 7-1.2-1 and 170 IAC 7-1.3-1)

Sec. 8. Subsection (a) of this section appears to limit a utility from requiring more than \$100,000 of liability insurance from the net metering customer. The insurance carrier for several distribution cooperatives may require that all "vendors", which would appear to include net metering customers, have a minimum of \$1,000,000 in liability insurance as a condition of insuring the distribution cooperative. Unless the distribution cooperative can persuade its insurer to waive this requirement for net metering customers, a variance from this section of the rule may be required.

Sec. 9. The reference in Sec. 9(a) to a "standard" net metering tariff, and in Sec. 9(b) to a "standard" interconnection agreement for net metering facilities might be ambiguous.

Presumably, this adjective is intended to require only that each utility is to have and uniformly apply its own net metering tariff and agreement form without discrimination, but it might be erroneously interpreted to mean that each electric utility is to employ the same tariffs and agreements, or that the Commission intends to develop standard tariffs and agreements for all electric utilities. Therefore, Indiana Statewide recommends that the word “standard” be deleted from each place it appears in this section and its title.

Additionally, Indiana Statewide recommends that an additional item 7 be added to Sec. 9(b) as follows:

(7) A requirement that the net metering customer’s generating facilities meet applicable IEEE interconnection standards.

Respectfully submitted,

Indiana Statewide Association of Electric
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